

# **FISCAL NOTE**

## **SB 2239 - HB 2616**

February 7, 2002

**SUMMARY OF BILL:** Establishes a reading instruction pilot program to:

- target low performing schools and utilize scientifically-based instruction techniques placing a strong emphasis on phonemic development through stories that students find readable and enjoyable.
- require the Commissioner of Education to name a pilot program coordinator who possesses good organizational and administrative skills and who is well versed in reading instruction.
- be implemented in the communities of Memphis, Nashville, Knoxville, Chattanooga and Jackson. The commissioner would designate up to five elementary schools in each of the communities to participate in the pilot. Each school must include grades K-3, must consistently score among the state's lowest performing schools on statewide standardized tests and must obtain the advance approval of its LEA board and school principal.
- provide each school with the pilot program a grant sufficient to employ one full-time trained reading teacher for six years. The teacher would be chosen by the LEA operating each participating school and would be required to attend a state-sponsored reading education institute to be conducted during the summer of 2002. The principal of each participating school would also attend the reading institute.
- require the pilot program coordinator to publish an annual report of departmental findings and recommendations. The report would be provided to the Select Oversight Committee on Education and to each affected LEA. This act is repealed on June 30, 2008.

## **ESTIMATED FISCAL IMPACT:**

### **Other Fiscal Impact:**

**The Department of Education has received a two-year Federal Reading Excellence Grant in an amount of \$28,600,000 which can accomplish the provisions of this bill for FY 02-03 thru FY 03-04. Therefore, no state funds will be needed during this two-year period to implement the provisions of the bill.**

**At the end of the two-year grant period, additional state and/or federal funding will be required to continue the pilot program until the program is repealed on June 30, 2008. Such increase in state expenditures and/or federal revenues is estimated to exceed \$10,000,000 to fund grants for at least 25 schools at the same levels as the first two years of the pilot program.**

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**Note:** *The program set out in the provisions of this bill is very similar to the intent of the federally funded Reading Excellence Act (REA) which is due for implementation during the 2002-2003 school year with the awarding of 60 grants to schools in need of improving student performance in reading proficiency.*

Estimate assumes the following:

- Since the bill does not address funding, it is assumed that the bill would be funded with federal REA funds. The REA is a \$28,600,000 two-year grant that will provide funding to 60 sites or schools.
- The total REA grant includes \$22,900,000 for grants to 60 schools, \$4,300,000 for Tutorial Assistance sub-grants and approximately \$1,400,000 for administration and project evaluation.
- The REA grant will fulfill all components of this bill on a much larger scale (60 schools rather than 25 as set out in the bill).
- The REA grant will provide a minimum of \$300,000 per site for each of the 60 sites.
- A formal evaluation component will also be used.
- Since the Department of Education has added two reading specialists to its staff within the last 18 months, it is assumed that one of them would serve as the pilot program coordinator.
- Training and materials for teachers could be handled within existing resources.
- The cost to publish the annual report of findings and recommendations is estimated to be not significant.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director